



H.R. 5840 – Insurance Information Act of 2008

FLOOR SITUATION

H.R. 5840 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Paul Kanjorski (D-PA) on April 17, 2008. The bill was ordered reported as amended from the Committee on Financial Services, by voice vote, on July 9, 2008.

H.R. 5840 is expected to be considered on the floor of the House on September 16, 2008.

SUMMARY

Office of Insurance Information: The bill establishes the Office of Insurance Information within the Department of the Treasury to coordinate Federal efforts and establish Federal policy on international insurance matters, including working with the International Association of Insurance Supervisors, and to serve as a liaison between the Federal Government and the individual states regarding insurance matters of national and international importance.

**Note: The Office of Insurance Information will not have authority over health insurance.*

In addition, the Office will advise the Secretary on major domestic and international insurance policy issues, including matters that affect consumers and insurers like financial guarantee insurance, catastrophe insurance, and reinsurance requirements.

Preemption of State Insurance Measures: H.R. 5840 allows for state law to be preempted if it is determined to be inconsistent with agreements relating to Federal policy on international insurance matters as established by the Office or as entered into by the United States with a foreign government, authority, or regulatory entity.

Advisory Group: The bill creates a 13 member advisory group comprised of state insurance commissioners or supervisors, state legislators, a representative from the Department of Commerce, the Federal Trade Commission, the Office of the United States Trade Representative, as well as representatives from the insurance industry.

BACKGROUND

Regulation of insurance products is almost completely state-based. Each state establishes their own parameters for insurance products that may be offered in their state. As our economy becomes more globalized, insurance providers have developed more of a national focus. The Department of Treasury has identified that the state-based regulatory system makes it difficult to develop national insurance products and to compete in the global marketplace.

On April 29, 2008, the Department of Treasury released a report titled Blueprint for a Modernized Financial Regulatory Structure that makes recommendations for improving our nation's financial services regulatory structure. One of the recommendations in the report was to create an Office of Insurance Oversight that would focus on areas of federal interest in the insurance sector as an advisor to the Secretary of Treasury on domestic and international insurance matters and would play a role in international insurance matters.

**Note: According to testimony by Deputy Assistant Secretary of the Treasury, Jeremiah Norton, before the Subcommittee on Capital Markets, Insurance, and Government Reform, "Treasury welcomes the introduction of H.R. 5840 by Subcommittee Chairman Kanjorski and Ranking*



LEGISLATIVE DIGEST

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Member Pryce. This bill would create an office within Treasury very similar to that recommended in the Blueprint."

COST

The Congressional Budget Office (CBO) has not produced a cost estimate for H.R. 5840.

STAFF CONTACT

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